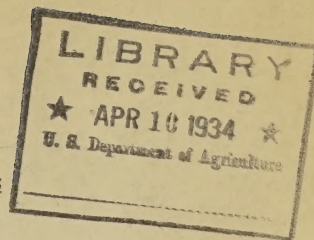


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APPLICATION OF 1934 NON-PARTICIPATING COTTON
ACREAGE ADJUSTMENT AGREEMENT TO INELIGIBLE FARMS

Under the Administrative Rulings some cotton farms will not be eligible to be entered under the regular 1934 and 1935 Cotton Acreage Reduction Contracts. A means has been provided by which those ineligible cotton farms owned by persons who also own eligible farms under contract, may be entered under a non-participating agreement, using Form No. Cotton 18.

This non-participating agreement form may be used, in the discretion of County Committees, by producers on singly owned farms, which are ineligible for the regular reduction contracts, for the purpose of cooperating in the cotton reduction program. The particular plan to be followed under the non-participating agreement in such cases would necessarily have to be approved by the County Committee and the Committee is charged with the responsibility of seeing that no individual be permitted to plant an acreage in cotton that would for that individual be out of keeping with the reduction program.

County Committees will no doubt have to disapprove many requests for permission to enter non-participating agreements because the circumstances in many cases will not justify acceptance of such agreements. Committees must exercise good judgment in recommending acceptance of non-participating agreements, keeping in mind the strictest limitation of cotton acreage consistent with the avoidance of injustice to individuals.

The advantages to individuals of entering into non-participating agreements are (a) they will register themselves as cooperating in the reduction program, and, (b) will put themselves in position to apply for production loans from the Farm Credit Administration.

Non-participating agreements may be received in the County Agent's office after the regular reduction contracts are sent to Washington, and should be carefully retained until called for. The same care should be exercised in accepting non-participating agreements as in accepting the regular reduction contracts.

In using Form No. Cotton 18 for singly owned ineligible farms as described above certain words on page 1 should be struck out. In paragraph one strike out words "but which is subject to the terms of Paragraph 2 of the 1934 and 1935 Cotton Acreage Reduction Contracts executed by the producer". In the last paragraph, page 1, strike out the words "in consideration of and in order to induce acceptance by the Secretary of Agriculture, of 1934 and 1935 Cotton Acreage Reduction Contracts covering eligible farms owned, operated, or controlled by the producer" and also in the third and second line from the bottom, same paragraph, strike out words "of any or all 1934 and 1935 Cotton Acreage Reduction Contracts covering eligible farms owned, operated, or controlled by the undersigned producer".

If a producer enters a non-participating agreement to secure a production loan and violates the agreement the facts should be ascertained and a written record made of these facts and a copy furnished to the Farm Credit Administration. Checking performance of non-participating agreements will consist only of determination of acreage planted in cotton.

